

## Message Text

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E.O. 11652: N/A

TAGS: ENRG, IEA

SUBJECT: IEA:DRAFT SLT CHAIRMAN'S NOTE FOR REDUCED  
DEPENDENCE EXERCISE

OECD: PLEASE PASS TO STEPHEN BOSWORTH

1. FOR BOSWORTH: THE DRAFT CHAIRMAN'S NOTE IS STRUCTURED  
IN THREE PARTS, VIZ., BACKGROUND MATERIAL, ISSUES PAPER  
WITH OPTIONS, AND A PROCEDURES PAPER. THESE PAPERS REFLECT  
THE COMMENTS/CONCERNS EXPRESSED BY SLT DELEGATES AT THE  
OCTOBER 14-15 MEETING AND ARE SOMEWHAT NEUTRAL IN TONE.  
LARRY RAICHT HAS NOT YET SEEN THE PAPER BUT WILL HOLD A  
DRAFTING SESSION ON SATURDAY MORNING, OCTOBER 23. THE  
CHAIRMAN'S NOTE WILL BE DISTRIBUTED TO IEA CAPITALS ON  
MONDAY, OCTOBER 25.

2. BACKGROUND. I. GOVERNING BOARD MANDATE: THE GOVERNING  
BOARD AT THE SEPTEMBER 21 MEETING REQUESTED THE SLT:  
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-- TO REVIEW THE PROPOSALS OF THE SECRETARIAT ON PROCEDURES TO EVALUATE THE EFFECTIVENESS OF LONG-TERM COOPERATION MEASURES DESIGNED TO REDUCE OIL IMPORTS TO AN ACCEPTABLE LEVEL, AS WELL AS THE PROPOSALS CONTAINED IN GOVERNING BOARD ROOM DOCUMENT NO. 5 AND IN ANNEX II TO IEA/SLT(75)23;

-- TO IDENTIFY THE PRINCIPAL ISSUES THAT WILL REQUIRE POLITICAL DECISIONS BY THE GOVERNING BOARD;

-- TO PREPARE FOR THE GOVERNING BOARD AT ITS NEXT MEETING A BRIEF NON-TECHNICAL REPORT AS TO THE BASIC SUPPLY AND DEMAND ELEMENTS THAT WILL ENABLE THE GOVERNING BOARD TO ASSESS THE EXTENT OF THE EFFORTS THAT MAY BE REQUIRED TO REDUCE OIL IMPORTS TO AN ACCEPTABLE LEVEL, TOGETHER WITH PROPOSALS OR PROCEDURES TO BE ADOPTED AND TASKS TO BE CARRIED OUT AT NATIONAL LEVEL, AS WELL AS REVIEW AND FOLLOW UP PROCEDURES.

## II. SLT MEETING OF OCTOBER 14-15:

THE SLT REVIEWED THE REVISED SECRETARIAT PROPOSAL ON PROCEDURES ON LONG-TERM COOPERATION OBJECTIVES (GOVERNING BOARD ROOM DOCUMENT NO. 6). WHILE AGREEING WITH THE UNDERLYING PHILOSOPHY OF THE DOCUMENT, THE SLT ASKED THAT PAPER BE REDRAFTED FOR THE FOLLOWING REASONS: OVEREMPHASIS ON LTEA FINDINGS; ROLE OF SECRETARIAT/IEA IN PROCESS; TYPE OF COMMITMENT ENVISIONED, NEED TO BASE "ACCEPTABLE LEVEL" DECISION ON COUNTRY SUBMISSIONS AND REVIEWS, STRUCTURE AND LANGUAGE OF PAPER.

THE SLT ALSO REVIEWED THE CHAIRMAN'S NOTE (IEA/SLT(76)83) ON KEY ISSUES THAT WILL REQUIRE POLITICAL DECISIONS BY THE GOVERNING BOARD. DELEGATES AGREED WITH THE ANALYSIS AND ISSUES IDENTIFIED (VIS. HOW TO DECIDE WHAT IS AN ACCEPTABLE LEVEL OF OIL IMPORTS?, HOW SHOULD THIS PROCESS BE STRUCTURED?, AND HOW TO DEFINE COMMON OBJECTIVES?). MOST DELEGATES AGREED THAT THE CHAIRMAN'S NOTE HAD TO BE ELABORATED, MADE MORE SPECIFIC, AND SHOULD INCLUDE A RANGE OF POSSIBLE OPTIONS. INFORMAL DRAFTING GROUP IDENTIFIED NEW ISSUES AS: A) ACCEPTABLE LEVEL OF DEPENDENCE LIMITED OFFICIAL USE

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OF THE GROUP AND BASIS FOR DETERMINATION; B) COMMITMENT TO OBJECTIVES/MEASURES (GROUP VS. NATIONAL); C) INDICATORS FOR BURDEN AND BENEFIT SHARING; D) DEGREE OF COMMITMENT (NATIONAL-COMMON-COOPERATIVE: POLITICAL/LEGAL); E) MONITORING ACHIEVEMENTS TOWARD REDUCED DEPENDENCE GOALS; F) PUBLICITY/CONFIDENTIALITY OF PROCESS.

THE SECRETARIAT AGREED TO PROVIDE MEMBER COUNTRY DELEGA-

TIONS WITH A NON-TECHNICAL REPORT BRINGING TOGETHER ENERGY DEMAND AND SUPPLY PROJECTIONS AS SUBMITTED BY COUNTRIES FOR THE CONSERVATION AND ACCELERATED DEVELOPMENT REVIEW PROCESS. THE SLT AGREED TO REDRAFT PROCEDURES FOR REDUCED DEPENDENCE OBJECTIVES AS MENTIONED IN II, PARA 1.

### 3. ISSUES PAPER

#### ISSUE NO. 1 - ACCEPTABLE LEVEL OF DEPENDENCE OF THE GROUP

SLT IDENTIFIED THIS ISSUE AS ONE REQUIRING A POLITICAL DECISION BY THE GOVERNING BOARD. THE STANDING GROUP AGREED THAT NATIONAL SUBMISSIONS RATHER THAN LTEA SHOULD BE USED AS THE BASIS FOR DERIVING AN AGENCY OBJECTIVE, THOUGH DELEGATES AGREED THAT IEA NET OIL IMPORTS OF 29.3 MBPD BY 1985 PROJECTED IN THE LTEA ARE NOT ACCEPTABLE. THREE QUESTIONS WERE CONSIDERED UNDER THIS CATEGORY AND I RECOMMEND IF POSSIBLE WE RESOLVE ONE OR TWO OF THESE ISSUES AT THE SLT LEVEL OR AT LEAST NARROW THE OPTIONS BEFORE SUBMITTING OUR PAPER TO THE GOVERNING BOARD.

#### QUESTION:

IS IT POLITICALLY OPPORTUNE FOR THE IEA TO ESTABLISH AN ACCEPTABLE LEVEL OF DEPENDENCE?

WHILE CONSENSUS ON THIS ISSUE HAS NOT YET EMERGED MOST DELEGATIONS AGREED THE GOVERNING BOARD HAS ALREADY RESOLVED THIS ISSUE BY INITIATING THE REDUCED DEPENDENCE LIMITED OFFICIAL USE

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#### EXERCISE.

#### QUESTION:

IF THE ANSWER TO THE ABOVE IS POSITIVE, SHOULD THE LEVEL OF DEPENDENCE BE EXPRESSED IN QUANTITATIVE OR QUALITATIVE TERMS?

FOUR OPTIONS WERE IDENTIFIED: A) OIL IMPORTS IN ABSOLUTE VOLUME, E.G., IEA COUNTRIES NET OIL IMPORTS BY 1985 WILL NOT EXCEED XMBPD; B) OIL IMPORTS AS A SHARE OF TOTAL ENERGY CONSUMED E.G., IEA COUNTRIES NET OIL IMPORTS BY 1985 WILL NOT EXCEED X PERCENT OF TOTAL PRIMARY ENERGY CONSUMED; C) DEMAND AND SUPPLY OF ENERGY E.G., BY 1985 IEA PRODUCTION OF ENERGY WILL BE AT LEAST X

MBPD OF OIL EQUIVALENT AND CONSUMPTION WILL BE NO MORE THAN X MBPD; D) QUALITATIVE E.G., TO REDUCE OIL CONSUMPTION; INCREASE COAL PRODUCTION AND USE, ETC.

I RECOMMEND WE ATTEMPT TO RESOLVE THIS ISSUE AT THE SLT LEVEL BY ADOPTING OPTION A AS AN AGENCY OBJECTIVE. NET OIL IMPORTS IN ABSOLUTE VOLUME ARE EASILY UNDERSTOOD,

COMPARABLE OVER TIME AND AMONG COUNTRIES. OPTION B. COULD RESULT IN A GREATER ABSOLUTE AMOUNT OF OIL IMPORTS, OPTION C IS MORE DIFFICULT TO OBTAIN AND IS A MEANS FOR ACHIEVING OPTION A. OPTION D IS GENERAL IN NATURE AND A STATEMENT OF OVERALL DIRECTION IN ENERGY POLICY BUT MEASUREMENT OF ACCOMPLISHMENTS IS DIFFICULT TO MONITOR.

QUESTION:

WHAT IS THE APPROPRIATE BASIS UPON WHICH AGENCY OBJECTIVES SHOULD BE BASED?

FOUR OPTIONS WERE IDENTIFIED: A) AGGREGATION OF NATIONAL PROJECTIONS SUBMITTED TO IEA; B) AGGREGATION OF NATIONAL PROJECTIONS SUBMITTED TO IEA AND REINFORCED; C) INDEPENDENT ASSESSMENT BY THE SECRETARIAT E.G., LTEA; D) FUTURE OIL AVAILABILITY IN OIL PRODUCER COUNTRIES.

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THE SLT CAN NARROW THE OPTIONS UNDER THIS ISSUE. DELEGATIONS HAVE CLEARLY RULED OUT OPTION C AS A BASIS FOR AGENCY OBJECTIVES AND HAVE MADE OPTION A&B MORE PROMINENT IN THE EXERCISE. OPTION D CAN BE TAKEN INTO CONSIDERATION BUT IEA COUNTRIES CANNOT DETERMINE FUTURE OIL AVAILABILITY IN NON IEA AREAS. WE SHOULD AGGREGATE THE PROJECTIONS/OBJECTIVES FOR OIL IMPORTS DERIVED FROM NATIONAL SUBMISSIONS TO THE CONSERVATION AND ACCELERATED DEVELOPMENT SUB-GROUPS IN CONNECTION WITH THE ANNUAL COUNTRY REVIEW. (PRELIMINARY DATA INDICATE IEA NET OIL IMPORTS BY 1985 OF 21-22 MBPD). THE GOVERNING BOARD COULD THEN DECIDE WHETHER SUCH A LEVEL IS POLITICALLY ACCEPTABLE AND, IF NOT, CAN MAKE RECOMMENDATIONS ABOUT THE LEVEL OF QUOTE REINFORCEMENT END QUOTE NEEDED.

UNDER ISSUE 1, I SEE ONE OR POSSIBLY TWO QUESTIONS THAT SHOULD BE REFERRED TO THE GOVERNING BOARD FOR DECISION, VIZ:

GB DECISION: IS IT POLITICALLY OPPORTUNE TO ESTABLISH AN ACCEPTABLE LEVEL OF DEPENDENCE?

GB DECISION: IS THE AGGREGATE LEVEL OF IEA NET OIL IMPORTS IN 1985 DERIVED FROM NATIONAL SUBMISSIONS POLITICALLY AND ECONOMICALLY ACCEPTABLE?

ISSUE NO. 2 - NATURE OF OBJECTIVES/MEASURES CHOSEN

SLT IDENTIFIED FOUR POSSIBLE OPTIONS UNDER THIS ISSUE: A) GROUP OBJECTIVES ONLY, B) GROUP OBJECTIVES AND MEASURES TO ACHIEVE THEM, C) NATIONAL OBJECTIVES, D) NATIONAL OBJECTIVES AND MEASURES TO ACHIEVE THEM. RELATED ISSUES NOT ADDRESSED UNDER THIS HEADING ARE: IF NATIONAL OBJECTIVES ARE ADOPTED SHOULD THEY BE QUALITATIVE OR QUANTITATIVE? (I ENVISION DIFFERENT COUNTRIES STATING THEIR NATIONAL OBJECTIVES IN A VARIETY OF WAYS, QUALITATIVE AS WELL AS QUANTITATIVE) AND WHAT TYPE OF ENERGY MEASURES SHOULD BE CONSIDERED (SEE ISSUE 4)

I SUGGEST WE CONCENTRATE ON OPTIONS B&D SINCE OBJECTIVES, IF UNRELATED TO ENERGY POLICY MEASURES ADOPTED, LIMITED OFFICIAL USE

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ARE MEANINGLESS. ADVOCATES OF OPTION D ARGUE: AGENCY OBJECTIVES ARE SUMMATIONS OF NATIONAL SUBMISSIONS AND EACH NATION MUST BE PREPARED TO ACCEPT RESPONSIBILITY FOR SOME SHARE OF THE AGENCY TARGET; ENERGY BALANCE MUST BE A MAJOR ELEMENT IN ECONOMIC POLICY DECISIONS; NATIONAL OBJECTIVES WOULD HELP INSURE THAT INDIVIDUAL COUNTRY EFFORTS TO REDUCE IMPORT DEPENDENCE ARE NOT OFFSET BY OTHER IEA COUNTRIES; PROVIDES A REINFORCING FRAMEWORK OF NATIONAL COMMITMENTS WITHIN THE IEA, ENHANCING THE VIABILITY OF CONSUMER COOPERATION. OPTION B ADVOCATES ARGUE: SOME COUNTRIES HAVE MADE DECISIONS NOT TO ADOPT NATIONAL ENERGY OBJECTIVES; ESTABLISHMENT OF SUCH OBJECTIVES IS TOO TIME CONSUMING, DO NOT RESULT IN CONCRETE COOPERATION, AND CAN PREJUDICE GENERAL ECONOMIC POLICY. MOREOVER, MEMBER COUNTRIES HAVE ALREADY AGREED ON AGENCY REDUCED DEPENDENCE OBJECTIVES IN THE LONG-TERM COOPERATION PROGRAM.

IF WE ARE UNABLE TO CHOOSE BETWEEN OPTION B&D, I SUGGEST WE ASK THAT THE GOVERNING BOARD RESOLVE THIS ISSUE. GB DECISION: SHOULD IEA COUNTRIES ADOPT: NATIONAL OBJECTIVES WITH SUPPORTING ENERGY POLICY MEASURES OR AGENCY OBJECTIVES WITH SUPPORTING ENERGY POLICY MEASURES.

ISSUE NO. 3 - INDICATORS OF BURDEN AND BENEFIT SHARING

DELEGATES AGREED THAT EACH IEA COUNTRY MUST CONTRIBUTE AN EQUITABLE SHARE TOWARD ACHIEVING AN IMPROVED

BALANCE OF WORLD ENERGY SUPPLY AND DEMAND. HOW THIS SHARE SHOULD BE DETERMINED IS DIFFICULT CONCEPTUALLY AND POLITICALLY. ENERGY STRATEGIES WILL OBVIOUSLY DIFFER DEPENDING ON ENERGY RESOURCE AVAILABILITY, DIFFERENCES IN ECONOMIC DEVELOPMENT, CLIMATE, ETC.

DELEGATIONS AGREED THAT EACH COUNTRY MUST RETAIN COMPLETE CONTROL OVER ITS OWN POLICY DECISION MAKING PROCESS, BUT OTHER AGENCY MEMBERS MUST BE SATISFIED THAT EACH COUNTRY IS PERFORMING TO ITS FULL POTENTIAL AND THAT BURDEN SHARING IS ADEQUATE IN TERMS OF THE POLICIES AND PROGRAMS BEING IMPLEMENTED TO ACHIEVE OUR COMMON OBJECTIVE.  
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A LOGICAL AND ACCEPTABLE WAY FOR SUCH AN ASSESSMENT IS THROUGH REVIEW AND EVALUATION OF MEMBER COUNTRIES ENERGY PROGRAMS AND POLICIES. THE DOCUMENT PREPARED BY THE SLT INFORMAL DRAFTING GROUP LISTS A NUMBER OF INDICATORS WHICH CAN BE INCLUDED IN THE OVERALL REVIEW/ ASSESSMENT. I SUGGEST WE RECOMMEND TO THE GOVERNING BOARD THAT BENEFIT AND BURDEN SHARING BE DETERMINED BY MEMBER COUNTRIES AFTER A FULL AND INTENSIVE REVIEW OF ENERGY PROGRAMS/ POLICIES TAKING INTO ACCOUNT A) COUNTRY'S IMPORTED OIL AS A SHARE OF TOTAL IEA IMPORTED OIL, B) ASSESSMENT OF ENERGY PRODUCTION POTENTIAL AND COSTS, C) ENERGY EFFICIENCY RATIOS, D) ENERGY INVESTMENT EFFORTS, E) ADOPTION OF COMMON OR COOPERATIVE MEASURES, F) ENERGY PRICING POLICIES, G) ENERGY EFFORTS OVER A PERIOD OF TIME RATHER THAN ANNUAL ACCOMPLISHMENTS ALONE, I.E. LINKED TO BASE PERIOD.

ISSUE NO. 4: DEGREE OF COMMITMENT TO ADOPT MEASURES TO MEET OBJECTIVES:

THE SLT AGREED THAT NATIONAL, COMMON, AND COOPERATIVE MEASURES COULD BE USED TO ACCOMPLISH REDUCED DEPENDENCE OBJECTIVES.

I SUGGEST WE RETAIN MAXIMUM FLEXIBILITY IN THE SYSTEM AND ALLOW EACH COUNTRY TO ADOPT ITS OWN COMBINATION OF NATIONAL, COMMON, AND COOPERATIVE MEASURES. FOLLOWING IDENTIFICATION OF THE PACKAGE OF MEASURES CHOSEN, WITH EXPECTED RESULTS QUANTIFIED IF POSSIBLE, COUNTRIES COULD PLEDGE THEMSELVES TO ADOPT AND IMPLEMENT MEASURES AT THE MINISTERIAL LEVEL.

DELEGATES RECOGNIZED THAT MEMBER COUNTRIES FOLLOW DIFFERENT PROCEDURES IN ADOPTING INTERNATIONAL COMMITMENTS.

IN ADDITION, THE SLT AGREED THAT THE BURDEN AND BENEFIT SHARING CITED EARLIER MUST BE MUTUALLY ASSESSED AND COULD LEAD TO OVERALL AGENCY RECOMMENDATIONS; SPECIFIC RECOMMENDATIONS FOR EACH COUNTRY; OR SPECIFIC NATIONAL LIMITED OFFICIAL USE

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COMMITMENTS BY EACH COUNTRY TO ADOPT CERTAIN ENERGY MEASURES.

I SUGGEST WE SEEK GOVERNING BOARD ADVICE ON THE RELATIONSHIP BETWEEN IEA RECOMMENDED ENERGY MEASURES AND ADOPTION BY MEMBER COUNTRIES OF IDENTICAL OR SIMILAR MEASURES TO ACHIEVE AGREED UPON DEPENDENCE OBJECTIVES. GB DECISION: IS IT NECESSARY AND ACCEPTABLE IN ADOPTING ENERGY MEASURES TO MAKE AGENCY RECOMMENDATIONS FOR CONSIDERATION BY ALL COUNTRIES; MAKE SPECIFIC RECOMMENDATIONS FOR CONSIDERATION BY EACH COUNTRY; REQUEST EACH COUNTRY TO MAKE SPECIFIC NATIONAL COMMITMENTS TO A PACKAGE OF MEASURES.

ISSUE NO. 5 - MONITORING ACHIEVEMENTS TOWARD REDUCED DEPENDENCE

WHILE NOT A MAJOR ISSUE, ANY MONITORING OF ACHIEVEMENTS TOWARD REDUCED DEPENDENCE OBJECTIVES WOULD INVOLVE A REVIEW PROCEDURE. AMONG POSSIBILITIES FOR CONSIDERATION BY THE SLT ARE: SECRETARIAT MONITORING; EXISTING IEA PROCEDURES WITH MINOR MODIFICATIONS IF NECESSARY; TRADITIONAL OECD PROCEDURES (EPC/EDRC); EXISTING IEA PROCEDURES WITH REINFORCEMENT MECHANISM.

THIS IS AN ISSUE WHICH CAN BE RESOLVED AT THE SLT LEVEL. I SUGGEST ADOPTING EXISTING IEA PROCEDURES WITH MODIFICATIONS IF NECESSARY AS THE MOST PRACTICAL RESOLUTION OF THIS ISSUE. ALTERNATIVELY, OECD REVIEW PROCEDURES COULD BE ADOPTED. THE SECRETARIAT WILL PROVIDE A TWO PAGE DESCRIPTION OF OECD REVIEW PROCEDURES FOR CONSIDERATION BY DELEGATIONS.

ISSUE NO. 6 - CONFIDENTIALITY OF PROCESS

A SERIOUS DETERMINATION BY MEMBER COUNTRIES TO REDUCE DEPENDENCE ON IMPORTED OIL ACCOMPANIED BY SPECIFIC ADOPTED ENERGY POLICY MEASURES WILL IMPROVE THE PERCEPTION OF IEA'S EFFORTS TO REDUCE IMPORTS. CONVERSELY, A FAILURE TO ACHIEVE OBJECTIVES ADOPTED COULD RESULT IN LESSENERED CREDIBILITY. THE FOLLOWING OPTIONS WERE LIMITED OFFICIAL USE

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SUGGESTED BY THE SLT: A) FULL PUBLICITY OF THE PROCESS AND RESULTS OF THE REDUCED DEPENDENCE EXERCISE, B) CONFIDENTIAL TREATMENT OF THE PROCESS BUT ANNOUNCEMENT OF RESULTS, (POSSIBLY AT A MINISTERIAL MEETING; C) ANNOUNCEMENT OF AGENCY GOALS, BUT NOT NATIONAL COMPONENTS THEREOF.

I CONSIDER THIS ISSUE TO BE ESSENTIALLY POLITICAL THUS REQUIRING A DECISION BY THE GOVERNING BOARD. SLT DISCUSSION MIGHT FOCUS ON NARROWING OPTIONS, IF POSSIBLE.

GB DECISION: IF REDUCED DEPENDENCE EXERCISE IS ADOPTED HOW SHOULD PUBLICITY BE HANDLED: (LISTING OF THREE OPTIONS ABOVE.)

#### 4. PROCEDURES PAPER

THIS PAPER, INCORPORATES GB ROOM DOCUMENT NO. 6, WRITTEN COMMENTS PROVIDED BY SWEDEN AND GERMANY, ORAL COMMENTS BY VARIOUS DELEGATIONS, PARTS OF THE ISSUES PAPER, AND THE STATEMENT BY DR. LANTZKE TO THE GOVERNING BOARD.

I. EACH PARTICIPATING COUNTRY SHALL SUBMIT REPORTS ON CONSERVATION (ENERGY DEMAND) AND ACCELERATED DEVELOPMENT (ENERGY SUPPLY) ANNUALLY. THESE SUBMISSIONS WILL INCLUDE PROJECTIONS/OBJECTIVES FOR ENERGY SUPPLY/DEMAND BY 1985. ON THE BASIS OF THESE SUBMISSIONS AND THE REVIEW PROCESS, THE SECRETARIAT SHALL AGGREGATE THE NATIONAL PROJECTIONS/OBJECTIVES TO DETERMINE ESTIMATED DEPENDENCE OF THE AGENCY AS A WHOLE ON OIL IMPORTS. SPECIFIC UNDERLYING POLICY ASSUMPTIONS FOR EACH COUNTRY WILL BE IDENTIFIED TO THE EXTENT POSSIBLE.

II. ON THE BASIS OF AGGREGATED NATIONAL SUBMISSIONS, THE GOVERNING BOARD WILL DETERMINE IF THE OIL IMPORT DEPENDENCE PROJECTED FOR 1985 IS POLITICALLY AND ECONOMICALLY ACCEPTABLE. IN MAKING THIS DECISION, THE GOVERNING BOARD WILL TAKE INTO ACCOUNT THE LONG TERM ENERGY ASSESSMENT REGARDING FUTURE WORLD ENERGY SUPPLY AND DEMAND AND OTHER WORLD ENERGY STUDIES AS APPROPRIATE.

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III. IF THE GOVERNING BOARD DETERMINES THAT THE OIL IMPORT DEPENDENCE PROJECTED FOR 1985 ON THE BASIS OF AGGREGATED NATIONAL SUBMISSIONS IS POLITICALLY AND



ECONOMICALLY ACCEPTABLE, IT SHALL ADOPT THE AGGREGATED NATIONAL SUBMISSIONS AS AGENCY OBJECTIVES AND CONSIDER HAVING MEMBER COUNTRIES MAKE POLITICAL COMMITMENTS TO ADOPT AND IMPLEMENT POLICY MEASURES NECESSARY TO ACHIEVE NATIONAL (AGENCY) OBJECTIVES/PROJECTIONS AS OUTLINED IN MEMBER COUNTRY SUBMISSIONS.

IV. IF THE GOVERNING BOARD DETERMINES THAT THE OIL IMPORT DEPENDENCE PROJECTED FOR 1985 ON THE BASIS OF AGGREGATED NATIONAL SUBMISSIONS IS NOT POLITICALLY AND ECONOMICALLY ACCEPTABLE, IT SHALL ON THE BASIS OF THE AGENCY'S REGULAR COUNTRY REVIEWS (TRADITIONAL OECD PROCEDURES) AND IN CLOSE CONSULTATION WITH THE COUNTRY CONCERNED EXAMINE EACH COUNTRY'S ABILITY TO IMPLEMENT ADDITIONAL NATIONAL (COMMON-COOPERATIVE) MEASURES THAT WOULD MAKE A CONTRIBUTION TO THE OVERALL GROUP OBJECTIVE (FOOTNOTE 1). THE GOVERNING BOARD WILL RECOMMEND TO EACH COUNTRY ENERGY PROGRAMS AND MEASURES, WITH QUANTIFIABLE RESULTS WHERE POSSIBLE, TO HELP REDUCE IEA IMPORT DEPENDENCE.

V. EACH PARTICIPATING COUNTRY SHALL CONSIDER ADOPTING PROGRAMS AND MEASURES RECOMMENDED BY THE GOVERNING BOARD OR ALTERNATIVE PROGRAMS AND MEASURES AS DETERMINED BY NATIONAL ADMINISTRATIONS. THE GOVERNING BOARD SHALL BE INFORMED OF EACH COUNTRY'S DECISION ON THESE MATTERS.

VI. THE GOVERNING BOARD SHALL ESTABLISH AN AGENCY ACCEPTABLE LEVEL OF IMPORT DEPENDENCE BASED ON NATIONAL ESTIMATES OF REDUCED DEPENDENCE POTENTIAL.

VII. THE GOVERNING BOARD SHALL ADOPT A DECISION WHICH ENDORSES THE COMMITMENTS UNDERTAKEN BY EACH COUNTRY IN ORDER TO ARRIVE AT THE "ACCEPTABLE" OVERALL GROUP OBJECTIVE (FOOTNOTE 2) (AND NATIONAL COMPONENT THEREOF).

VIII. THE REVIEW PROCESS OF THE AGENCY SHALL BE LIMITED OFFICIAL USE

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MODIFIED TO INCLUDE A MONITORING OF PROGRESS IN ACHIEVING AGENCY OBJECTIVES AND NATIONAL COMPONENTS THEREOF, ESPECIALLY ADOPTION AND IMPLEMENTATION OF INDIVIDUAL COUNTRY COMMITMENTS CONTAINED IN THE DECISION ADOPTED BY THE GOVERNING BOARD.

FOOTNOTE 1: IN DOING SO, ALL ELEMENTS RELEVANT FOR THE DEVELOPMENT OF THAT COUNTRY'S ENERGY POLICIES, ECONOMIC SOCIAL, FINANCIAL, POLITICAL, (INSTITUTIONAL), SHALL BE TAKEN INTO ACCOUNT.

FOOTNOTE 2. THE DECISION SHALL TAKE INTO ACCOUNT THE NEED TO ENSURE AN EQUITABLE SHARING OF THE BURDENS AMONG ALL OF THE PARTICIPATING COUNTRIES, BEARING IN MIND THE COSTS AND BENEFITS FOR EACH COUNTRY'S ENERGY, GENERAL ECONOMIC AND POLITICAL SITUATIONS. KISSINGER

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